Leadership: Myths & Truths

Q&A with Robert Hogan, Ph.D.

Q: What is the state of leadership in the private and public sector?

A: Unfortunately, few take the issue of leadership seriously today.

Q: You created a reputation and built an international business by identifying the characteristics necessary for successful leadership.

A: Yes. People want to see you are working for the team and not for yourself. People pick up on narcissism ("look at me") instantly and it is one of the most toxic things a leader can do.

Q: At a recent presentation, you discussed the link between leaders and those they lead in the workplace. Can you give us the gist of that presentation?

A: I presented some key findings from a study of nearly 8,000 companies concerning leadership and employee engagement. The study confirmed that the personalities of managers directly influence employee satisfaction, and when employee satisfaction is high, positive business outcomes result. It essentially showed that the link between leadership and unit performance is mediated by staff morale. In the end, people don't quit organizations; they quit their bosses.

Q: You talk about how important it is for staff to trust their leaders. What are the key components of trust?

A: There are four key characteristics: integrity, decisiveness, competence, and vision. Integrity in a leader appears in their behavior: they don't lie and they don't play favorites. They will have a reputation for integrity or they won't, and it will follow them from their last job. The people who won't see it are those senior to the leader, but the staff always knows.

The second thing people want to see is: do they make good decisions? It's called good judgment. It gets even more complicated than that because 50% of all decisions are going to be wrong. Good leaders learn from their mistakes.

People also want to see evidence that a leader knows what they are talking about. This is competence. Leaders have to identify a sensible future for the operation and they have to communicate it.

As for the vision thing, it's essentially: here is the reason we are doing it, why it makes sense, and why it is important. The most important element is integrity and the least important is vision, but they all matter.

Q: You said if organizations put the right people in the right leadership positions, operations improve quickly. How do you identify the right people for leadership roles?

A: We use our assessment results. The only real variable is the culture. Do they have the requisite talent to be a leader and do they fit with the culture? Yahoo, a high-tech IT firm, hired a CEO who was a movie producer. He later resigned amid weak company results. That was a really bad fit with the culture. It didn't work.

Q: How many companies put the right people in leadership positions?

A: We estimate that the base rate of bad managers is between 50% and 75%. Hogan research suggests poor-fit managers interview well and are hired based on technical skill and business knowledge, not on talent for leadership.

Q: Are there any companies that have used your principles?

A: Yes. When they give us access to the records, 100% of the time we can show improved productivity and improved revenues. Usually it is around sales. We worked with a convenience store chain and the profitability of the individual store was directly correlated with the personality of the manager. It was the same with Burger King, which is also basically a convenience store.

Q: Are there any companies out there that you can point to that are doing it right?

A: Oh, yes. I think at Ford Motor Co., (CEO Alan) Mulally is excellent. (Sergio) Marchionne, the head of Fiat and Chrysler, he really knows what he is doing. Another is the guy who saved Continental Airlines, Gordon Bethune, and (Herb Kelleher) who started Southwest Airlines.

Q: So it can be done?

A: Yes. The data is so well established it holds no surprises for me. The best single way to choose a leader is ask the people who used to work for him or her.

Q: In an ideal world, what would you do to identify and develop great leaders in an organization?

A: It is all those things that we have talked about. Can they keep their emotions under control? Are they a good role model? Do they treat the staff with respect? Do they avoid micro-managing and screaming fits?

Q: What are the components of a great organization?

A: Talented team members, good leadership, and an effective business model.

Dr. Robert Hogan, founder of Hogan Assessment Systems, is recognized as an international authority on personality assessment, leadership, and organizational effectiveness. He has authored more than 300 journal articles, chapters, and books, and is widely credited with demonstrating how personality factors influence organizational effectiveness.